

DATE: March 4, 2003

SUBJECT: Regulation C (Home Mortgage Disclosure Act) - Proposed amendment to the official staff commentary (Docket No. R-1145)

HIGHLIGHTS: The Federal Reserve Board has published transition rules in a proposed amendment to the official staff commentary that applies and interprets the requirements of Regulation C (Home Mortgage Disclosure Act).

Comment is requested by April 8, 2003. The Board expects to issue final guidance, after taking into account comments received, as soon as possible after the close of the comment period.

In 2002, the Board substantially revised Regulation C, effective January 1, 2004. The revisions require lenders to report new data items, including information about loan pricing. The proposed transition rules provide guidance on collecting and reporting this information for applications received before January 1, 2004, upon which final action is taken on or after January 1, 2004. More specifically, the transition rules provide that:

Lenders would not have to identify applications or loans involving manufactured homes or requests for preapproval.

Lenders could, at their option, continue to apply the current definitions of a home improvement loan and a refinancing.

Lenders would report applicant information on ethnicity and race in accordance with the conversion guidance set forth in the proposed comment.

Lenders would have to report the purchaser type, rate spread, whether a loan is subject to the Home Ownership and Equity Protection Act (HOEPA), and the lien status of applications and originated loans. Information about these items is available at the time of final action.

DOCUMENT LOCATION: The March 3, 2003 press release/notice is available under the Board of Governors' web site:

<http://www.federalreserve.gov/boarddocs/press/bcreg/2003/20030303/>

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